

Monetary Statistics

June
2010

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1) A comma (,) represents a decimal point delimiter; a blank between figures represents a thousand group delimiter.

2) The information in Tables 3-14 are based on monetary statistics of CNB harmonized with monetary statistics of European System of Central Banks. The data are not seasonally adjusted and the last period data are always preliminary.

3) All the data quoted in this Publication are included in the ARAD time series system - www.cnb.cz/en/statistics/ (Time series database ARAD >> Money and financial statistics >> Monetary statistics >> Monetary Statistics Publication).

LIST OF ABBREVIATIONS AND CODES

Codes

CNB	Czech National Bank
ECB	European Central Bank
ESA95	European System of Accounts
Eurozone	The European Union member states that have adopted the EUR
IF	investment funds excluding money market funds
MMF	money market funds
LTIR	yield of the 10-year bond
M1, M2, M3	monetary aggregates
MFI	monetary financial institutions
NFA	net foreign assets
NISH	non-profit institutions serving households
Non-MFI	all institutions excluding MFIs
OFI	other financial intermediaries
FCL	financial corporations engaged in lending (financial leasing, hire purchase and provision of personal or commercial finance, factoring and forfaiting)

Institutional sectors and subsectors

S.11	non-financial corporations
S.121	central bank
S.122	other monetary financial institutions
S.123	other financial intermediaries
S.124	financial auxiliaries
S.125	insurance corporations and pension funds
S.13	general government
S.1311	central government
S.14	households
S.15	non-profit institutions serving households

TABLE 1

Key interest rates

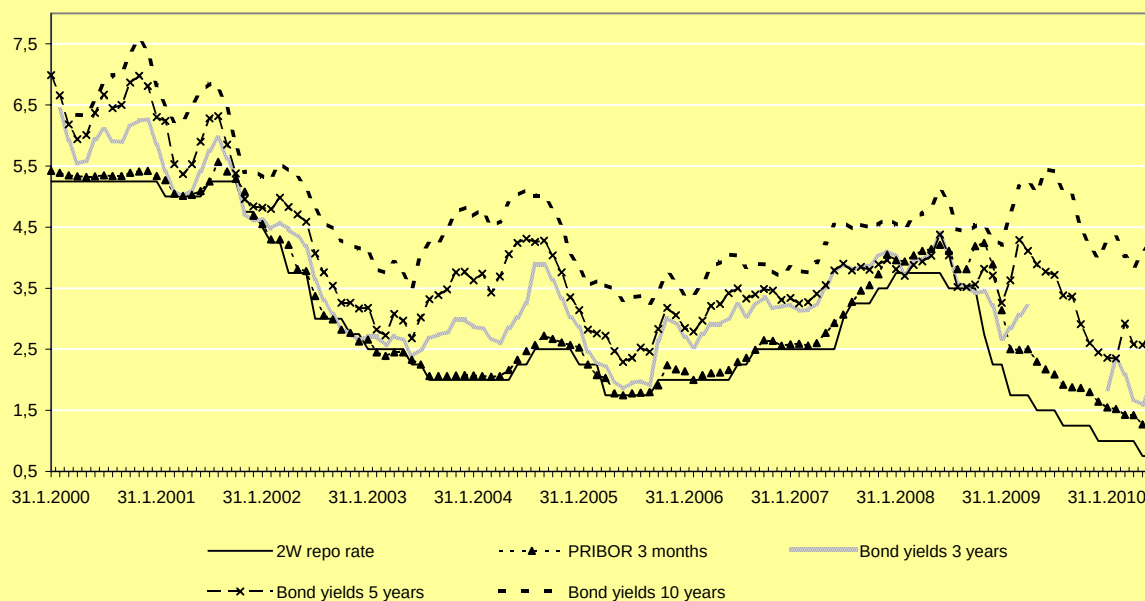
	CNB			ECB
	from 7 August 2009 onwards	from 17 December 2009 onwards	from 7 May 2010 onwards	from 13 May 2009 onwards
2W repo rate	1,25	1,00	0,75	1,00
Deposit facility	0,25	0,25	0,25	0,25
Marginal lending facility	2,25	2,00	1,75	1,75

TABLE 2

Financial markets interest rates

monthly average	2009		2010					
	June		April		May		June	
	CR	Euro area	CR	Euro area	CR	Euro area	CR	Euro area
Money market								
CZEONIA/ EONIA								
overnight	1,48	0,70	0,93	0,35	0,76	0,34	0,63	0,35
PRIBOR/ EURIBOR								
1 month	1,86	0,91	1,21	0,40	1,05	0,42	1,01	0,45
3 months	2,17	1,23	1,42	0,64	1,27	0,69	1,24	0,73
6 months	2,36	1,44	1,67	0,95	1,54	0,98	1,52	1,01
1 year	2,60	1,61	1,94	1,22	1,81	1,25	1,78	1,28
Capital market								
Bond yields								
3 years	-	2,23	1,68	1,97	1,59	1,97	1,93	2,01
5 years	3,77	3,14	2,58	2,70	2,57	2,65	2,78	2,70
10 years (Maastricht)	5,45	4,32	3,84	4,17	4,10	3,68	4,26	3,70

Financial markets interest rates in CR



Commentary on key interest rates (Table 1) and financial market interest rates (Table 2): June 2010

Key interest rates

The CNB's 2W repo rate has been re-set at 0.75% since 7 May, 2010, the ECB's key interest rate has been re-set at 1.00% since 13 May, 2009. The difference between the CNB's and the ECB's key rates is therefore nowadays 0.25 percentage point.

Financial market interest rates

In June, interest rates on the Czech interbank deposit market decreased. The most noticeable drop recorded the CZEONIA rate (by 0.13 pp). In the euro area, all monitored interest rates slightly increased. The 3M PRIBOR reached 1.24% (1.27% in May) and the 3M EURIBOR stood at 0.73% (0.69% in May).

Bond yields on the Czech capital market recorded the substantial month-on-month increase in June (3Y by 0.34 pp at most). On the other hand in the euro area bond yields recorded slightly month-on-month increase. The yield on the 10Y bond in the Czech Republic was 4.26% (4.10% in May), while the yield on the 10-year bond in the euro area reached 3.70% (3.68% in May).

TABLE 3

Key monetary indicators

CZK billions, unless otherwise indicated	2009			2010			2010			2010		
	June			April			May			June		
	Outstanding amounts	Transa- ctions ⁴⁾	Annual growth rates [%]	Outstanding amounts	Transa- ctions ⁴⁾	Annual growth rates [%]	Outstanding amounts	Transa- ctions ⁴⁾	Annual growth rates [%]	Outstanding amounts	Transa- ctions ⁴⁾	Annual growth rates [%]
M1	1 723,6	37,1	7,4	1 796,2	-8,7	6,9	1 893,1	40,8	8,9	1 902,7	8,3	7,1
M3 ¹⁾	2 680,9	-49,1	7,9	2 727,2	43,8	0,6	2 764,2	-20,1	-0,8	2 755,3	-10,8	0,6
Loans to private sector ²⁾	1 908,4	15,5	6,6	1 895,5	0,7	0,7	1 903,4	9,2	1,2	1 915,1	11,1	0,9
Net foreign assets ³⁾	975,7	-30,8	-3,2	1 079,1	48,0	5,1	1 055,2	-48,6	-2,5	1 057,3	-8,0	-0,2

¹⁾ Monetary aggregates comprise monetary liabilities of MFIs vis-à-vis non-MFI Czech residents excluding central government. M1 is the sum of currency in circulation and overnight deposits; M2 is the sum of M1, deposits with an agreed maturity of up to two years and deposits redeemable at notice of up to three months; and M3 is the sum of M2, repurchase agreements, money market fund shares/units and debt securities up to two years.

²⁾ Including all sectors without general government (S.13) and MFIs sector (S.121 and S. 122).

³⁾ Net foreign assets (NFA) represent balance of financial claims and liabilities of the MFI sector vis-a-vis nonresidents

⁴⁾ Net value of flow data calculated by adjusting the difference between end-of-period levels for the effect of non-transactions-related factors.

Annual growth rates

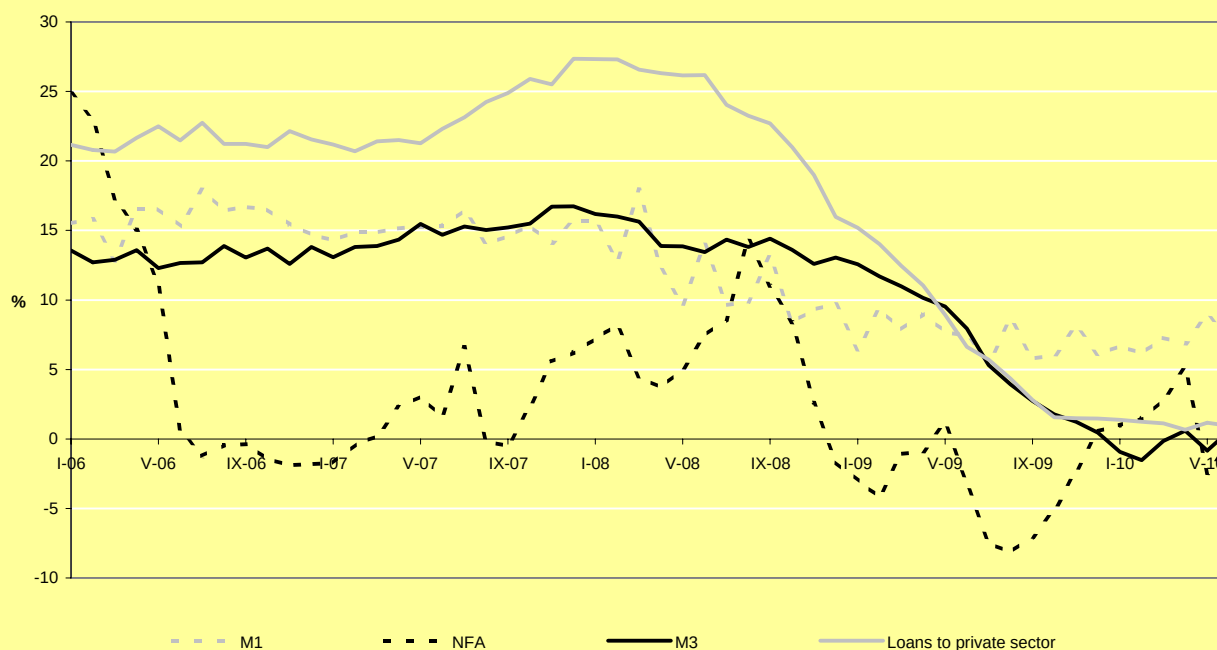


TABLE 4

Monetary aggregates and counterparts

CZK billions, unless otherwise indicated	2009			2010								
	June			April			May			June		
	Out- standing amounts	Transa- ctions ¹⁾	Annual growth rates [%]	Out- standing amounts	Transa- ctions ¹⁾	Annual growth rates [%]	Out- standing amounts	Transa- ctions ¹⁾	Annual growth rates [%]	Out- standing amounts	Transa- ctions ¹⁾	Annual growth rates [%]
COMPONENTS OF M3												
(1) M3 (items 1.3, 1.6 and 1.11)	2 680,9	-49,1	7,9	2 727,2	43,8	0,6	2 764,2	-20,1	-0,8	2 755,3	-10,8	0,6
(1.1) Currency in circulation	354,3	-4,4	8,4	353,2	1,5	-2,0	354,2	1,0	-1,3	356,5	2,3	0,6
(1.2) Overnight deposits	1 369,3	41,6	7,2	1 443,0	-10,2	9,3	1 538,9	39,8	11,7	1 546,3	6,0	8,7
(1.3) M1 (items 1.1 and 1.2)	1 723,6	37,1	7,4	1 796,2	-8,7	6,9	1 893,1	40,8	8,9	1 902,7	8,3	7,1
(1.4) Deposits with agreed maturity up to 2 years	501,5	-72,7	-2,8	479,1	46,2	-13,5	432,7	-47,3	-24,8	421,0	-12,3	-16,4
(1.5) Deposits redeemable at notice up to 3 months	398,3	-10,7	42,5	383,1	3,7	-6,9	380,2	-2,9	-7,0	375,2	-5,1	-5,8
(1.6) Other short term deposits (items 1.4 and 1.5)	899,8	-83,4	13,1	862,2	49,8	-10,7	812,9	-50,2	-17,4	796,2	-17,4	-11,7
(1.7) M2 (items 1.3 and 1.6)	2 623,4	-46,3	9,3	2 658,4	41,1	0,5	2 706,0	-9,4	-0,8	2 698,9	-9,0	0,6
(1.8) Repurchase agreements ²⁾	15,0	-3,6	-	23,8	2,9	-	13,6	-10,2	-	12,5	-1,0	-
(1.9) Money market fund shares/units ²⁾	41,4	0,6	-	42,9	-0,2	-	42,4	-0,5	-	41,7	-0,8	-
(1.10) Debt securities issued with maturity up to 2 years ²⁾	1,2	0,3	-	2,1	0,0	-	2,1	0,0	-	2,2	0,0	-
(1.11) Marketable instruments (items 1.8,1.9 and 1.10)	57,5	-2,8	-33,8	68,9	2,7	4,9	58,1	-10,7	-4,1	56,4	-1,8	-2,5
COUNTERPARTS OF M3												
MFI liabilities												
(2) Holdings deposits against central government	357,0	32,7	13,5	219,0	-41,3	-20,4	221,0	2,1	-31,5	251,7	30,3	-29,2
(3) Longer-term financial deposits against other residents (items 3.1 to 3.4)	507,1	17,3	-3,9	677,1	10,4	31,5	623,2	-16,7	29,6	641,3	9,0	27,2
(3.1) Deposits with agreed maturity over 2 years	116,6	3,7	-36,4	176,7	8,3	53,4	180,7	3,9	60,0	185,2	4,5	58,8
(3.2) Deposits redeemable at notice over 3 months	77,1	5,5	26,6	106,4	1,8	54,9	53,5	1,8	51,1	54,4	0,9	42,6
(3.3) Debt securities issued with maturity over 2 years	85,4	-2,2	-3,0	94,9	5,9	8,8	94,0	-0,9	9,4	96,2	-3,4	8,2
(3.4) Capital and reserves	228,0	10,4	17,7	299,0	-5,6	22,6	295,0	-21,5	16,0	305,6	7,0	13,9
MFI assets												
(4) Credit to residents (items 4.1 and 4.2)	2 526,9	38,3	11,4	2 537,1	-7,3	3,4	2 553,8	20,4	3,0	2 578,1	22,7	2,4
(4.1) Credit to general government	561,7	20,5	33,8	596,4	-4,2	14,3	605,7	10,7	10,1	618,6	11,8	8,2
of which: Loans	56,4	1,0	3,0	65,9	0,2	16,3	65,8	0,0	19,0	64,9	-0,9	15,2
Securities other than shares	505,3	19,5	38,3	530,5	-4,5	14,1	539,9	10,7	9,1	553,6	12,7	7,4
(4.2) Credit to private sector	1 965,2	17,8	6,3	1 940,7	-3,0	0,5	1 948,0	9,8	1,0	1 959,5	10,9	0,7
of which: Loans	1 908,4	15,5	6,6	1 895,5	0,7	0,7	1 903,4	9,2	1,2	1 915,1	11,1	0,9
Securities other than shares	13,5	0,3	-25,5	9,2	-3,8	-29,4	9,3	0,1	-29,5	9,1	-0,3	-33,0
Shares and other equities	43,3	2,0	9,0	36,0	0,0	3,9	35,3	0,4	5,2	35,3	0,0	0,4
(5) Net foreign assets	975,7	-30,8	-3,2	1 079,1	48,0	5,1	1 055,2	-48,6	-2,5	1 057,3	-8,0	-0,2
(6) Other counterparts of M3 (residual) (=M3+items 2,3 - items 4,5) ²⁾	42,3	-6,7	-	7,1	-27,8	-	-0,6	-6,5	-	12,9	13,8	-

¹⁾ Net value of flow data calculated by adjusting the difference between end-of-period levels for the effect of non-transactions-related factors.

²⁾ Given the significant variability of the underlying values, annual growth rates are not calculated

TABLE 5

Sector breakdown of components of M3¹⁾

CZK billions	2009		2010					
	June		April		May		June	
	Out-standing amounts	Transa-ctions ²⁾	Out-standing amounts	Transa-ctions ²⁾	Out-standing amounts	Transa-ctions ²⁾	Out-standing amounts	Transa-ctions ²⁾
(1) Overnight deposits	1 369,3	41,6	1 443,0	-10,2	1 538,9	39,8	1 546,3	6,0
(1.1) Other general government	159,2	6,1	129,6	-12,5	133,4	3,8	148,6	15,2
(1.2) Other financial intermediaries ³⁾	29,0	1,3	26,5	-3,7	26,7	0,1	27,0	0,2
(1.3) Insurance corporations and pension funds	14,7	7,0	9,1	-3,5	14,0	4,8	12,8	-1,2
(1.4) Non-financial corporations	393,5	24,0	433,0	-4,6	458,7	25,1	446,8	-12,8
(1.5) Households ⁴⁾	772,8	3,2	844,8	14,1	906,1	6,0	911,1	4,7
(2) M2 - M1 (other short- term deposits)	899,8	-83,4	862,2	49,8	812,9	-50,2	796,2	-17,4
(2.1) Other general government	37,9	-10,0	33,4	-1,3	31,4	-2,0	30,1	-1,3
(2.2) Other financial intermediaries ³⁾	17,9	-1,9	21,4	1,3	17,5	-4,0	18,0	0,5
(2.3) Insurance corporations and pension funds	34,2	-5,0	34,6	5,6	30,4	-4,3	29,7	-0,7
(2.4) Non-financial corporations	196,1	-50,9	228,7	44,8	200,4	-28,4	195,2	-5,5
(2.5) Households ⁴⁾	613,6	-15,5	544,1	-0,5	533,2	-11,5	523,1	-10,4
(3) Repurchase agreements (a part of M3 - M2)	15,0	-3,6	23,8	2,9	13,6	-10,2	12,5	-1,0
(3.1) Other general government	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
(3.2) Other financial intermediaries ³⁾	0,2	-0,9	2,9	0,4	2,6	-0,3	2,3	-0,3
(3.3) Insurance corporations and pension funds	7,9	-0,9	18,9	2,7	9,1	-9,8	8,6	-0,5
(3.4) Non-financial corporations	0,1	0,1	0,0	0,0	0,0	0,0	0,0	0,0
(3.5) Households ⁴⁾	6,8	-1,9	2,0	-0,1	1,8	-0,1	1,6	-0,3

TABLE 6

Loans to private sector

CZK billions	2009		2010					
	June		April		May		June	
	Out-standing amounts	Transa-ctions ²⁾	Out-standing amounts	Transa-ctions ²⁾	Out-standing amounts	Transa-ctions ²⁾	Out-standing amounts	Transa-ctions ²⁾
(1) Loans to non-financial corporations	818,5	3,9	764,1	-12,1	767,2	4,1	771,6	3,3
(1.1) up to 1 year	291,2	4,7	248,8	-8,9	247,3	-0,6	252,0	4,5
(1.2) over 1 year and up to 5 years	179,7	-2,8	155,6	-7,0	158,0	2,4	153,6	-4,7
(1.3) over 5 years	347,6	2,0	359,7	3,7	361,9	2,2	366,1	3,6
(2) Loans to households⁴⁾	933,4	11,0	997,9	4,8	1 004,7	7,3	1 011,3	7,1
(2.1) Consumer credit	180,4	2,4	187,8	0,1	189,2	1,5	189,9	1,2
(2.2) Lending for house purchase	652,4	7,3	700,8	4,3	705,1	4,3	709,9	4,8
(2.3) Other lending	100,5	1,3	109,2	0,5	110,4	1,6	111,4	1,1
(3) Loans to other financial intermediaries³⁾	155,8	0,7	133,2	8,0	131,3	-1,9	132,1	0,7
(4) Loans to insurance corporations and pension funds	0,8	-0,1	0,3	0,1	0,1	-0,2	0,1	0,0

¹⁾ Table 5 doesn't include those components of M3 which can't be broken down by the sector so far, i.e. currency in circulation, money market fund shares/units and debt securities issued with maturity up to 2 years.

²⁾ Net value of flow data calculated by adjusting the difference between end-of-period levels for the effect of non-transactions-related factors.

³⁾ Including other financial intermediaries (without insurance corporations and pension funds) (S.123) and financial auxiliaries (S.124).

⁴⁾ Including households (S.14) and non-profit institutions serving households (S.15).

TABLE 7

Contributions to annual growth¹⁾ of M3

	2009	2010		
	June	April	May	June
	% points	% points	% points	% points
M1	4,8	4,3	5,5	4,6
of which: Currency	1,1	-0,3	-0,2	0,1
Overnight deposits	3,7	4,6	5,6	4,5
M2 - M1 (= other short- term deposits)	4,2	-3,8	-6,2	-4,0
M3 - M2 (= short-term marketable instruments)	-1,1	0,1	-0,1	-0,1
M3	7,9	0,6	-0,8	0,6

TABLE 8

Contributions to annual growth¹⁾ of loans to private sector

	2009	2010		
	June	April	May	June
	% points	% points	% points	% points
Non-financial corporations	-0,3	-2,7	-2,2	-2,2
Households ²⁾	7,6	4,6	4,7	4,4
Other financial intermediaries ³⁾	-0,6	-1,3	-1,3	-1,3
Insurance corporations and pension funds	-0,1	0,0	0,0	0,0
Loans to private sector ⁴⁾	6,6	0,7	1,2	0,9

¹⁾ Contributions to growth are the growth rates of M3 / lending weighted by the share in total M3 / lending to private sector.

²⁾ Including households (S.14) and non-profit institutions serving households (S.15).

³⁾ Including other financial intermediaries (without insurance corporations and pension funds) (S.123) and financial auxiliaries (S.124).

⁴⁾ Including all sectors without general government (S.13) and MFIs sector (S.121 and S. 122).

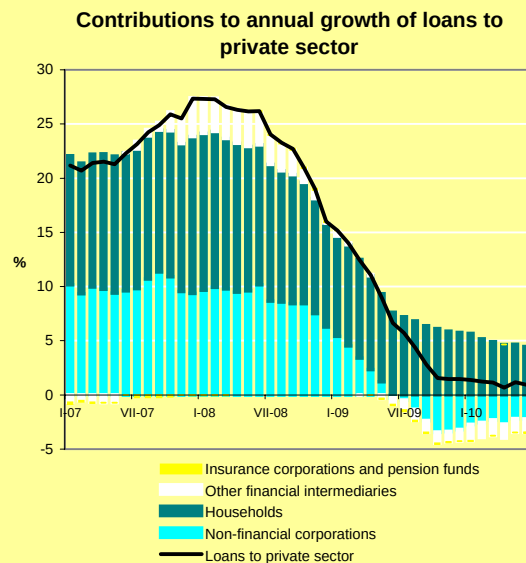
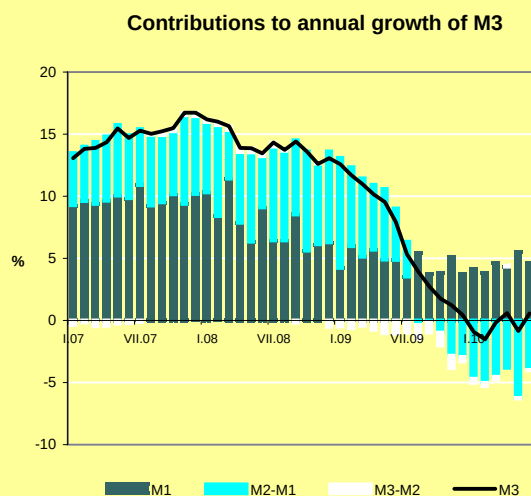
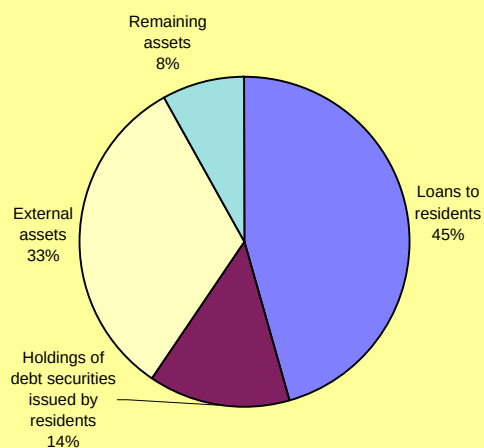


TABLE 9

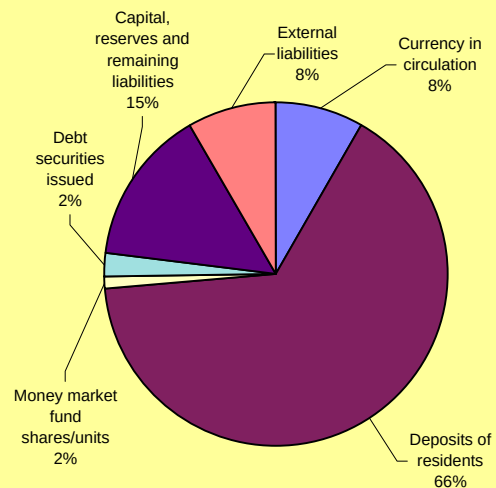
Balance sheets of monetary financial institutions by reporting institutions: June 2010

CZK billions	MFI			Consolidated balance sheet of MFIs
	CNB	Credit institutions	Money market funds	
(1) ASSETS TOTAL	818,5	4 361,9	47,0	4 342,0
(1.1) Loans to residents	8,5	2 586,8	14,7	1 980,1
MFI	0,0	615,3	14,7	-
General government	0,0	64,9	0,0	64,9
Other residents	8,5	1 906,6	0,0	1 915,1
(1.2) Holdings of securities other than shares issued by residents	0,0	744,7	16,4	562,7
MFI	0,0	196,4	1,9	-
General government	0,0	540,2	13,4	553,6
Other residents	0,0	8,0	1,1	9,1
(1.3) Money market fund shares/units	0,0	0,0	0,0	-
(1.4) Holdings of shares/other equity issued by residents	0,0	64,2	0,0	35,3
MFI	0,0	28,9	0,0	-
Other residents	0,0	35,3	0,0	35,3
(1.5) External assets	794,3	605,0	15,8	1 415,1
(1.6) Fixed assets	11,0	109,7	0,0	120,7
(1.7) Remaining assets	4,6	251,4	0,1	228,1
(2) LIABILITIES TOTAL	818,5	4 361,9	47,0	4 342,0
(2.1) Currency in circulation	384,5	-	-	356,5
(2.2) Deposits of residents	491,4	2 980,1	0,0	2 846,3
MFI	415,5	209,8	0,0	-
Central government	71,9	179,8	0,0	251,7
Other general government/other residents	4,1	2 590,5	0,0	2 594,5
(2.3) Money market fund shares/units	-	-	41,7	41,7
(2.4) Debt securities issued	0,0	296,7	0,0	98,3
(2.5) Capital and reserves	-115,0	449,5	0,0	305,6
(2.6) External liabilities	1,0	352,5	4,3	357,8
(2.7) Remaining liabilities	56,6	283,0	1,0	340,6
(2.8) Excess of inter MFI liabilities	-	-	-	-4,7

Consolidated balance sheet of MFIs - assets



Consolidated balance sheet of MFIs - liabilities



Comments on monetary developments statistics¹⁾ (Tables 3-9): June 2010

The gradual decline in the annual rate of growth of M3 – a basic indicator characterising the supply of money in the economy – triggered by the autumn 2008 events has stabilised in recent months and is turning into fluctuations of the annual rate of growth of this money aggregate around zero. The annual growth rate recorded in June thus in fact marked a return to the April level (0.6%), as negative figures had been recorded in May and in the first few months of this year. The month-on-month growth rate increased from -0.7% in May to -0.4% in June. As a result of financial transactions, M3 declined by CZK 10.8 billion month on month (but rose by CZK 15.2 billion year on year) to CZK 2,755.3 billion.

Main components of M3

Within the M3 structure, M1 is the most important component. Its contribution to annual M3 growth declined from 5.5 percentage points in May to 4.6 percentage points in June (see Table 7). As regards the other components, quasi money is still making a negative contribution to annual M3 growth.

The annual rate of growth of M1 decreased from 8.9% in May to 7.1% in June. This decline was due to a fall in the annual growth rate of overnight deposits (from 11.7% in May to 8.7% in June). Overnight deposits grew by CZK 6.0 billion (i.e. 0.4%) month on month, owing to financial transactions. Within overnight deposits, the largest increase was recorded by deposits of the other government sector, which rose by 11.4% (CZK 15.2 billion). Increases were also recorded by the other financial intermediaries sector (up by 0.8%, or CZK 0.2 billion) and household deposits (up by 0.5%, or CZK 4.7 billion). By contrast, deposits of insurance corporations and pension funds and deposits of non-financial corporations declined (by 8.6%, or CZK 1.2 billion, and by 2.8%, or CZK 12.8 billion respectively). The annual growth rate of currency in circulation rose by 1.9 percentage points from -1.3% in May to 0.6% in June. Currency in circulation grew by 0.7% month on month to CZK 356.5 billion.

Other short-term deposits (excluding overnight deposits) fell by CZK 17.4 billion (i.e. 2.1%) month on month, owing to financial transactions. Compared to May, the annual rate of growth of these deposits increased by 5.7 percentage points to -11.7% in June (from -17.4% in May). The annual growth rate of deposits with maturity of up to two years, which are the slightly dominant component of short-term deposits, increased by 8.4 percentage points compared to the previous month, reaching -16.4%. The annual growth rate of deposits redeemable at notice of up to three months, which were previously characterised by large annual increases (42.5% in June 2009 compared to -5.8% in June 2010), has been on a downward trend in recent months and has been negative since December 2009. A slight rise of 1.2% was recorded in June (-5.8%) compared to May (-7.0%).

As regards other short-term deposits, a month-on-month decline was recorded for deposits of almost all economic sectors. The largest decrease was recorded by deposits of other government (down by 4.1%, or CZK 1.3 billion). Declines were also recorded by deposits of non-financial corporations (down by 2.7%, or CZK 5.5 billion), deposits of insurance corporations and pension funds (down by 2.4%, or CZK 0.7 billion) and deposits of households (down by 2.0%, or CZK 10.4 billion). By contrast, deposits of other financial intermediaries increased by 2.9%, or CZK 0.5 billion.

Marketable instruments, which consist of repos, money market fund shares/units and debt securities with maturities of up to two years, declined by 3.1% month on month to CZK 56.4 billion (CZK 58.1 billion in May). The annual rate of growth of marketable instruments increased by 1.6 percentage points to -2.5% (-4.1% in May).

Main counterparts of M3

The annual growth rate of loans to general government declined to 15.2% in June (19.0% in May). The annual rate of growth of purchased government bonds decreased from 9.1% in May to 7.4% in June.

The annual growth rate of loans to the private sector declined to 0.9% in June (1.2% in May). However, this indicator can be described as having stabilised around 1% in recent months.

As in previous months, the household sector was the sole contributor to the positive annual growth rate of loans to the private sector (see Table 8). In month-on-month comparison, the annual growth rate of loans to households declined by 0.5 percentage point in June (9.6% in May, 9.1% in June). The other sectors (e.g. non-financial corporations and other financial intermediaries) recorded negligible changes.

The annual growth rate of net external assets increased to -0.2% at the end of June (from -2.5% in May). The annual growth rate of longer-term financial liabilities decreased from 29.6% in May to 27.2% in June. The annual growth rate of deposits of central government rose from -31.5% to -29.2%.

The data in table 9 and the relevant charts show the importance of the basic components in the MFI consolidated balance sheet. Loans to residents granted by MFIs account for 45% of the sector's total assets in the period under review, while deposits received from residents account for 66% of MFIs' total liabilities.

TABLE 10

Interest rates of monetary financial institutions on new business¹⁾

monthly average rates and sum	2009		2010					
	June		April		May		June	
	Interest rate (% p.a.)	Volume (mld. CZK)	Interest rate (% p.a.)	Volume (mld. CZK)	Interest rate (% p.a.)	Volume (mld. CZK)	Interest rate (% p.a.)	Volume (mld. CZK)
(1) Deposits from households²⁾	1,23	1229,6	1,11	1279,3	1,09	1283,2	1,09	1285,8
(1.1) Overnight	0,71	745,9	0,64	813,9	0,68	875,5	0,68	881,0
(1.2) With agreed maturity	1,65	40,0	0,98	23,4	0,90	21,6	0,92	21,6
of which: Up to 2 years	1,63	39,1	0,92	22,3	0,84	20,2	0,85	19,5
(1.3) Redeemable at notice ³⁾	2,05	469,0	1,95	482,0	2,00	426,2	1,99	422,1
(1.3.1) Up to 3 months' notice	2,25	392,5	2,15	376,1	2,15	373,4	2,15	368,3
(1.3.2) Over 3 months' notice	0,98	76,5	1,20	105,8	0,89	52,9	0,90	53,7
(2) Deposits from non-financial corporation⁴⁾	0,91	517,6	0,56	545,7	0,48	539,3	0,45	548,7
(2.1) Overnight	0,58	287,0	0,39	333,2	0,37	354,8	0,33	349,7
(2.2) With agreed maturity	1,28	213,4	0,73	184,3	0,55	155,7	0,52	171,4
of which: Up to 2 years	1,28	213,2	0,73	184,3	0,55	155,5	0,52	170,8
(3) Loans to households²⁾	13,94	58,7	13,98	53,1	14,19	55,3	14,03	56,2
(3.1) Bank overdrafts ⁵⁾	18,83	33,0	17,57	34,5	18,33	34,8	18,32	34,9
(3.2) Consumer credit	13,59	6,4	14,42	3,8	14,04	4,3	14,44	4,1
(3.3) Lending for house purchase	5,49	15,8	5,29	12,0	5,16	12,7	5,06	13,4
of which: Mortgage lending ⁶⁾	5,71	8,7	5,31	6,8	5,14	7,8	5,03	8,2
Saving for building purposes	5,04	5,7	5,14	4,1	5,15	3,8	5,13	3,9
(3.4) Other lending	6,58	3,5	6,22	2,8	5,84	3,4	5,57	3,7
(4) Loans to non-financial corporation	4,42	185,6	4,16	139,6	3,99	134,0	3,86	152,2
(4.1) Bank overdrafts ⁵⁾	4,72	113,3	4,56	88,2	4,30	86,5	4,23	86,9
(4.2) Other loans up to CZK 30 million	4,66	16,1	3,96	11,0	4,07	10,7	4,01	13,9
of which: Up to 1 year initial rate fixation ⁷⁾	4,57	13,8	3,77	10,0	3,91	9,3	3,76	11,1
(4.3) Other loans over to CZK 30 million	3,75	56,2	3,33	40,4	3,23	36,8	3,18	51,4
of which: Up to 1 year initial rate fixation ⁷⁾	3,69	48,8	3,24	35,6	3,14	32,4	3,05	43,2
(5) APRC⁸⁾ on loans to households	8,31	22,2	7,91	15,7	7,84	17,0	7,71	17,5
(5.1) Consumer credit	14,63	6,4	15,48	3,8	15,02	4,3	15,55	4,1
(5.2) Lending for house purchase	5,74	15,8	5,52	12,0	5,38	12,7	5,28	13,4

¹⁾ The interest rates that are applied by MFIs to CZK-denominated deposits and loans vis-à-vis households and non-financial corporations resident in the Czech Republic. New business refers to any new agreement between the customer and the MFI within given period.

²⁾ Including households (S.14) and non-profit institutions serving households (S.15) according to the classification of the economic sectors ESA95.

³⁾ Households deposits liabilities redeemable at notice include similar deposits of non-financial corporations of which volumes are negligible in this category.

⁴⁾ Including deposit liabilities redeemable at notice of non-financial corporations (which are also included in item 1.3).

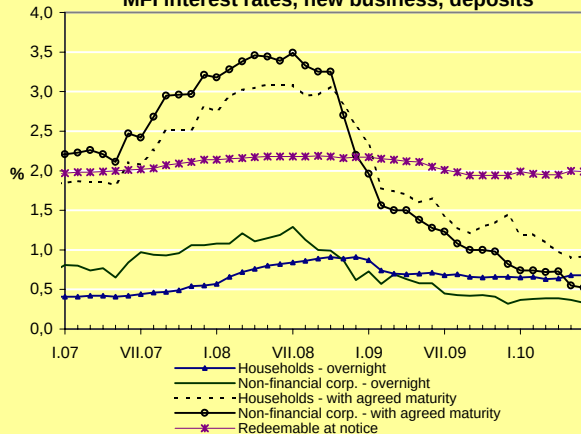
⁵⁾ Bank overdrafts include provided bank overdrafts, debit balance on bank accounts and credit card credits.

⁶⁾ Since 2009, the amendment to Act No. 190/2004 Coll., on Bonds, as amended, has been fully applied, under which a mortgage loan is a loan whose redemption, including appurtenances (i.e. interest etc.), is secured by lien (right of pledge) over real estate (property), including property under construction, where the claim arising from the loan does not exceed twice the pledge value of the mortgaged property (Article 28(3)).

⁷⁾ The initial period of fixations is a predetermined period of time at the start of the contract during which the value of the interest rate cannot change. Period up to 1 year includes floating rates.

⁸⁾ Annual percentage rate of charge (APRC) covers total costs of the credit to the client including charges etc

MFI interest rates, new business, deposits



MFI interest rates, new business, loans

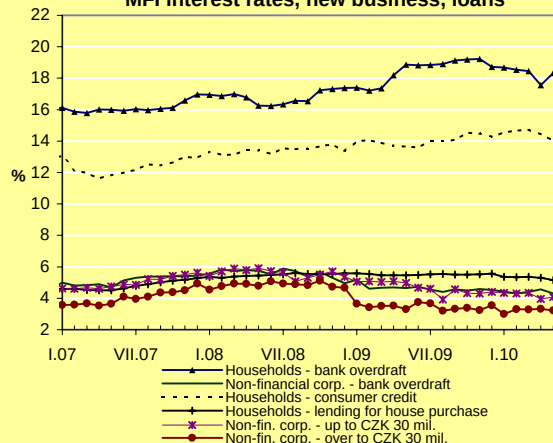


TABLE 11

Interest rates of monetary financial institutions on outstanding amounts¹⁾

outstanding amounts as end-of-month	2009		2010		2010		2010	
	June		April		May		June	
	Interest rate (% p.a.)	Volume (mld. CZK)	Interest rate (% p.a.)	Volume (mld. CZK)	Interest rate (% p.a.)	Volume (mld. CZK)	Interest rate (% p.a.)	Volume (mld. CZK)
(1) Deposits from households²⁾³⁾	1,40	1510,5	1,28	1593,1	1,26	1595,3	1,25	1595,7
(1.1) With agreed maturity	2,10	306,7	1,97	323,7	1,94	320,8	1,92	318,8
(1.1.1) Up to 2 years	2,06	197,4	1,75	160,6	1,69	154,1	1,64	148,0
(1.1.2) Over 2 years	2,18	109,3	2,18	163,1	2,17	166,7	2,16	170,7
(2) Deposits from non-financial corp.³⁾	0,98	457,2	0,63	514,8	0,57	523,1	0,54	513,3
(2.2) With agreed maturity	1,61	153,0	0,98	153,4	0,90	139,4	0,90	136,0
(2.2.1) Up to 2 years	1,61	150,7	0,94	149,1	0,85	134,9	0,84	131,1
(2.2.2) Over 2 years	2,00	2,3	2,34	4,4	2,30	4,6	2,40	4,9
(3) Loans to households	7,02	932,2	6,97	996,4	7,01	1003,2	6,99	1009,7
(3.1) Lending for house purchase	5,22	652,0	5,28	700,5	5,28	704,8	5,28	709,5
of which: Mortgage lending ⁴⁾	5,20	523,6	5,26	572,7	5,27	576,3	5,27	580,5
Saving for building purposes	5,37	101,3	5,38	101,1	5,38	101,4	5,38	101,9
(3.2) Consumer credit and other lending ⁵⁾	11,38	280,2	11,17	296,0	11,25	298,5	11,21	300,2
(4) Loans to non-financial corporation	4,54	677,3	4,20	628,7	4,10	628,3	4,04	631,6
(4.1) Up to 1 year	4,37	251,4	4,00	213,7	3,85	209,7	3,75	212,9
(4.2) Over 1 and up to 5 years	4,55	150,0	4,35	126,7	4,23	127,3	4,19	123,5
(4.3) Over 5 years	4,68	275,9	4,28	288,3	4,22	291,3	4,18	295,2

¹⁾ The interest rates that are applied by MFIs to CZK-denominated deposits and loans vis-à-vis households and non-financial corporations resident in the Czech Republic. Interest rates on outstanding amounts refer to the stock of all deposits and all loans at a specific moment.

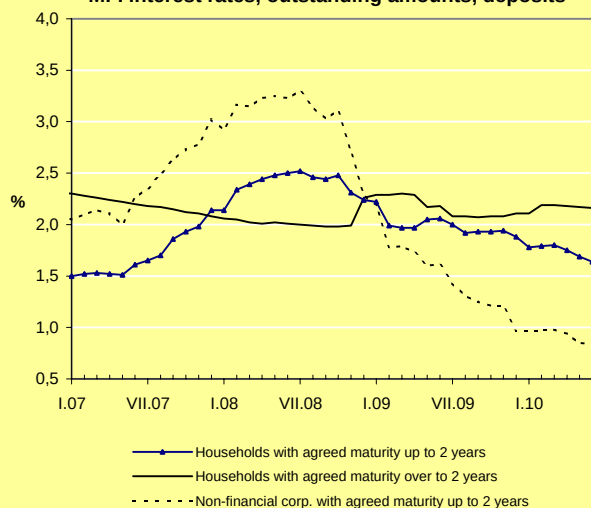
²⁾ Including households (S.14) and non-profit institutions serving households (S.15) according to the classification of the economic sectors ESA95.

³⁾ Including overnight deposits and deposits with agreed maturity presented in Table 10. For this instrument category, new business and outstanding amounts coincide.

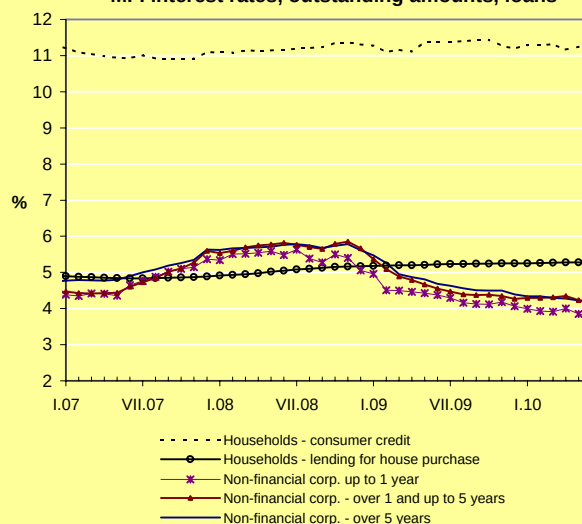
⁴⁾ Since 2009, the amendment to Act No. 190/2004 Coll., on Bonds, as amended, has been fully applied, under which a mortgage loan is a loan whose redemption, including appurtenances (i.e. interest etc.), is secured by lien (right of pledge) over real estate (property), including property under construction, where the claim arising from the loan does not exceed twice the pledge value of the mortgaged property (Article 28(3)).

⁵⁾ Consumer credit and other lending include bank overdrafts presented in Table 10.

MFI interest rates, outstanding amounts, deposits



MFI interest rates, outstanding amounts, loans



Commentary on interest rates of monetary financial institutions (Tables 10 and 11): June 2010

Interest rates on new business

Interest rates on **new deposits** of households remained unchanged in June, while interest rates on new deposits of non-financial corporations declined only marginally.

The average interest rate on total new deposits of **households** remained at the May level, at 1.09%. Similarly, the rate on overnight deposits was unchanged at 0.68%. The rate with agreed maturity increased slightly by 0.02 percentage point to 0.92%. The rate on deposits redeemable at notice remained broadly unchanged, having stabilised at 1.99%.

The overall interest rate on new deposits of **non-financial corporations** declined by just 0.03 percentage point, to 0.45%. The rate on overnight deposits also decreased slightly by 0.04 percentage point, standing at 0.33%. Deposits with agreed maturity of up to two years (which as a rule account for 100% of all deposits with agreed maturity in the case of this sector) were remunerated at a rate that was only 0.03 percentage point lower (0.52%).

Rates on **new loans** to households and non-financial corporations declined in June.

The overall interest rate on new loans to **households** fell by 0.16 percentage point to 14.03%. The interest rate on bank overdrafts remained broadly unchanged, at 18.32%, while the interest rate on consumer credit increased by 0.40 percentage point to 14.44%. The interest rate on loans for house purchase decreased by 0.10 percentage point to 5.06%. Other loans were remunerated at a rate that was 0.27 percentage point lower (5.57%).

The interest rate on new loans to **non-financial corporations** fell by 0.13 percentage point to 3.86%. The rate on bank overdrafts dropped by 0.07 percentage point to 4.23%. The rate on other loans of up to CZK 30 million declined by 0.06 percentage point, to 4.01%. Other loans of over CZK 30 million were remunerated at a rate that was 0.05 percentage point lower than in the previous month (3.18%).

The overall **APRC on loans to households** decreased by 0.13 percentage point to 7.71%, but the APRC on consumer credit rose by 0.53 percentage point to 15.55%. The APRC on loans for house purchase decreased by 0.10 percentage point to 5.28%.

Interest rates on outstanding amounts

The average interest rate on **outstanding amounts of deposits** of households and non-financial corporations remained broadly unchanged in June.

The interest rate on total deposits of **household**s continued the slightly downward trend, stopping at 1.25%. The rate on overnight deposits was unchanged at 0.68%. The rate on deposits redeemable at notice declined only marginally to 1.99%. The interest rate on deposits with agreed maturity fell slightly to 1.92%.

The interest rate on total deposits of **non-financial corporations** decreased marginally by 0.03 percentage point to 0.54%. Similarly, the rate on overnight deposits recorded a slight decrease to 0.33%. The interest rate on deposits with agreed maturity remained unchanged at 0.90%.

The average interest rate on **outstanding amounts of loans** of households and non-financial corporations declined only slightly in June.

The overall interest rate on loans to **households** decreased by just 0.02 percentage point to 6.99%. The rate on loans for house purchase remained unchanged at 5.28%, while the interest rate on consumer credit and other loans declined by 0.04 percentage point to 11.21%.

The average interest rate on outstanding amounts of loans to **non-financial corporations** declined somewhat to 4.04%. The rate on loans to non-financial corporations declined for all maturities; by 0.10 percentage point to 3.75% for maturities of up to one year, by 0.04 percentage point to 4.19% for maturities of over one year and up to five years, and by 0.04 percentage point to 4.18% for maturities of over five years.

TABLE 12

Aggregated balance sheet of investment funds ¹⁾

CZK billions; end of period	2009	2010			
	May	February	March	April	May
ASSETS					
Total	87,6	101,0	106,6	108,4	105,9
(1.1) Deposits	9,4	10,4	11,4	11,1	10,1
(1.2) Securities other than shares	41,3	45,0	46,1	47,2	47,5
Residents	21,6	23,9	23,8	24,6	24,9
MFI	0,9	1,5	1,3	1,3	1,2
General government	19,3	20,8	20,9	21,7	22,1
Other residents	1,4	1,6	1,6	1,7	1,6
Non-residents	19,7	21,1	22,4	22,6	22,6
(1.3) Shares and other equity	16,5	22,7	24,5	25,1	24,2
Residents	3,8	5,3	5,3	5,4	5,6
MFI	0,3	0,3	0,3	0,3	0,5
Other residents	3,5	5,0	5,0	5,0	5,1
Non-residents	12,7	17,4	19,3	19,8	18,6
(1.4) Investment fund shares	15,5	15,7	16,2	16,4	15,2
Residents	3,7	3,9	4,0	4,0	3,9
Non-residents	11,8	11,8	12,2	0,8	11,3
(1.5) Other assets	5,0	7,1	8,3	8,6	8,9
LIABILITIES					
Total	87,6	101,0	106,6	108,4	105,9
(2.1) Loans accepted	0,2	0,4	0,4	0,5	0,5
(2.2) Investment fund shares	85,1	97,1	102,2	103,2	99,5
Residents	84,0	95,7	100,7	101,6	97,9
Non-residents	1,1	1,4	1,5	1,6	1,5
(2.4) Other liabilities	2,4	3,4	3,9	4,7	5,9

BALANCE SHEET TOTAL - BREAKDOWN BY INVESTMENT POLICY

TOTAL	87,6	101,0	106,6	108,4	105,9
Equity funds	12,3	16,8	18,1	18,4	16,7
Bond Funds	32,8	37,7	38,8	40,1	39,5
Mixed Funds	35,9	36,7	39,9	40,0	39,2
Real estate funds	6,7	9,7	9,7	10,0	10,4

¹⁾ Investment Funds (IFs) represent Mutual Funds other than Money Market Funds and Incorporated Investment Funds which are residents in the Czech Republic.

- funds of funds and funds of qualified investors are classified under the category of assets or funds in which they primarily invest.

- data are published by the 15th calendar day of the second month following the reference period

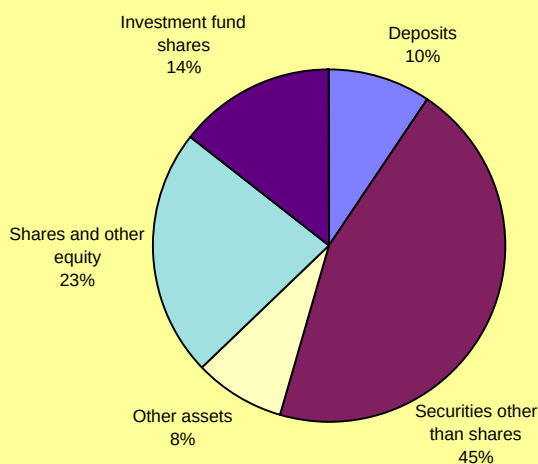
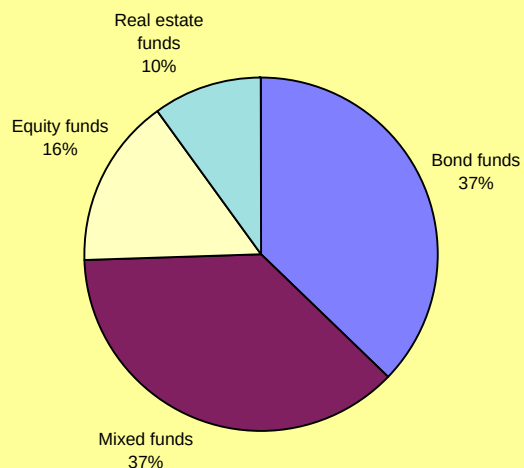
Balance sheet total - breakdown by asset items**Balance sheet total - breakdown by investment policy**

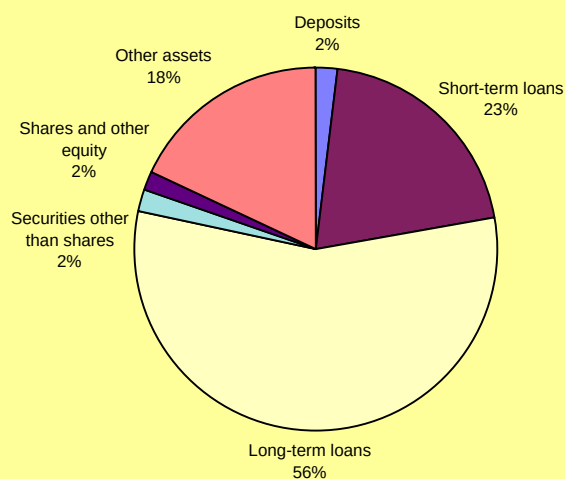
TABLE 13

Quarterly aggregated balance sheet of financial corporations engaged in lending ¹⁾
(financial leasing, hire purchase and provision of personal or commercial finance, factoring and forfaiting)

CZK billions; end of period	2009				2010
	March	June	September	December	March
Assets					
Total	440,7	422,2	412,3	405,5	394,1
(1.1) Deposits	7,4	6,6	8,0	8,1	8,2
(1.2) Loans provided	352,1	330,7	309,6	303,4	294,4
Residents	345,3	323,9	303,3	297,0	288,0
Up to 1 year	97,7	88,3	81,9	81,0	76,3
Over 1 year	247,6	235,7	221,4	216,0	211,8
Non-residents	6,8	6,8	6,3	6,4	6,4
(1.3) Securities other than shares	6,0	6,0	5,9	2,7	2,7
Up to 1 year	4,0	4,1	4,2	1,0	1,0
Over 1 year	2,0	1,9	1,8	1,7	1,7
(1.4) Shares and equity	8,1	8,3	8,3	5,8	5,6
Mutual fund shares/units (including MMFs)	0,0	0,0	0,0	0,0	0,1
Other shares and equity	8,1	8,3	8,3	5,8	5,4
(1.5) Other assets	67,2	70,5	80,4	85,5	83,2
LIABILITIES					
Total	440,7	422,2	412,3	405,5	394,1
(2.1) Loans taken	265,5	252,2	244,9	239,8	221,4
Residents	187,5	184,3	175,9	169,3	151,6
Non-residents	78,1	67,9	69,0	70,4	69,8
(2.2) Securities other than shares issued	24,6	20,2	16,9	13,7	13,7
Up to 1 year	10,7	10,7	10,6	10,7	0,0
Over 1 year	13,9	9,6	6,2	3,0	13,7
(2.3) Own funds	104,0	105,2	107,8	109,7	114,8
(2.5) Other liabilities	46,6	44,6	42,7	42,4	44,2
BALANCE SHEET TOTAL BREAKDOWN BY TYPE OF INTERMEDIARIES					
TOTAL	440,7	422,2	412,3	405,5	394,1
Financial leasing companies	304,8	294,2	289,7	283,1	275,7
Other lending companies	113,2	106,0	100,9	101,2	98,4
Factoring and forfaiting companies	22,7	22,0	21,7	21,2	20,0

¹⁾ Financial corporations engaged in lending - corporations classified within sector S.123 other financial intermediaries which are predominantly engaged in granting credit or loans or entering into agreements of similar nature, for example financial leasing, factoring, consumer credit, hire purchase, etc. (see Decree No. 307/2004 Coll.). Data are published by the last working day of the second month following the reference period.

Balance sheet total - breakdown by asset items



Balance sheet total - breakdown by type of intermediaries

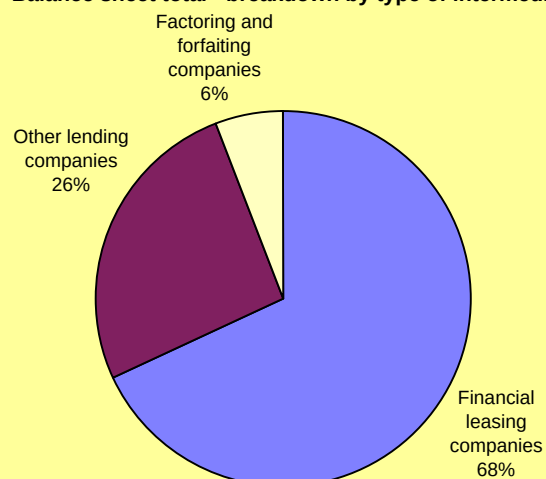


TABLE 14

Summary of loans provided by financial corporations engaged in lending ¹⁾ to residents
(financial leasing, hire purchase and provision of personal or commercial finance, factoring and forfaiting)

CZK billions; end of period	2009				2010
	March	June	September	December	March
LOANS					
(1) Non-financial corporations	192,6	181,9	171,1	168,6	167,9
Up to 1 year	51,0	49,8	46,8	45,0	42,1
Over 1 year up to 5 years	112,4	107,8	98,5	97,2	96,8
Over 5 years	29,2	24,3	25,8	26,5	28,9
(2) Financial corporations	2,8	1,7	0,6	0,6	0,5
Up to 1 year	0,2	0,2	0,2	0,2	0,1
Over 1 year up to 5 years	2,6	1,4	0,3	0,3	0,3
Over 5 years	0,1	0,1	0,1	0,1	0,0
(3) Government	1,0	1,2	1,2	1,2	0,4
Up to 1 year	0,5	0,5	0,6	0,5	0,1
Over 1 year up to 5 years	0,5	0,6	0,6	0,6	0,2
Over 5 years	0,0	0,0	0,0	0,0	0,0
(4) Households	148,7	139,0	130,3	126,5	119,3
Up to 1 year	45,9	37,6	34,3	35,2	33,9
Over 1 year up to 5 years	86,3	85,0	79,5	74,0	68,5
Over 5 years	16,5	16,3	16,5	17,3	16,9
(5) NPISHs	0,1	0,1	0,1	0,1	0,0
Up to 1 year	0,0	0,1	0,1	0,1	0,0
Over 1 year up to 5 years	0,1	0,1	0,1	0,1	0,0
Over 5 years	0,0	0,0	0,0	0,0	0,0

BREAKDOWN OF LOANS PROVIDED TO HOUSEHOLDS

(1) Total	148,7	139,0	130,3	126,5	119,3
(1.1) Consumer credit	132,3	121,2	113,3	111,2	104,9
Up to 1 year	44,8	36,4	33,1	33,9	32,7
Over 1 year up to 5 years	72,6	70,4	65,5	61,7	56,9
Over 5 years	14,9	14,3	14,7	15,6	15,3
(1.2) Lending for house purchase	1,5	1,5	1,4	1,4	1,3
Up to 1 year	0,0	0,0	0,0	0,0	0,0
Over 1 year up to 5 years	0,4	0,3	0,3	0,3	0,3
Over 5 years	1,1	1,1	1,1	1,1	1,0
(1.3) Other loans	14,9	16,3	15,5	13,9	13,1
Up to 1 year	1,1	1,2	1,2	1,3	1,2
Over 1 year up to 5 years	13,4	14,3	13,6	12,1	11,3
Over 5 years	0,4	0,8	0,7	0,6	0,6

BREAKEADOWN OF SELECTED LOANS BY TYPE OF INTERMEDIARIES

TOTAL	345,3	323,9	303,3	297,0	288,0
Financial leasing companies	239,0	226,4	211,2	204,9	200,1
Other lending companies	89,0	80,4	75,3	75,4	72,5
Factoring and forfaiting companies	17,2	17,0	16,9	16,7	15,4
of which Non-financial corporations	192,6	181,9	171,1	168,6	167,9
Financial leasing companies	169,7	159,7	148,9	146,6	147,6
Other lending companies	5,6	5,1	5,3	5,3	4,9
Factoring and forfaiting companies	17,2	17,0	16,9	16,7	15,4
of which Households	148,7	139,0	130,3	126,5	119,3
Financial leasing companies	65,7	64,1	60,7	56,8	52,0
Other lending companies	83,0	74,9	69,6	69,7	67,2
Factoring and forfaiting companies	0,0	0,0	0,0	0,0	0,0

¹⁾ Financial corporations engaged in lending - corporations classified within sector S.123 other financial intermediaries which are predominantly engaged in granting credit or loans or entering into agreements of similar nature, for example financial leasing, factoring, consumer credit, hire purchase, etc. (see Decree No. 307/2004 Coll.). Data are published by the last working day of the second month following the reference period.

Commentary on the quarterly aggregated balance sheet of collective investment funds (Table 12): May 2010

As of the end of May 2010 collective investment funds (CIFs) administered assets worth CZK 99.5 billion. For the first time this year, administered assets recorded a decline. The value of the funds' assets fell by CZK 3.57 billion compared to April 2010, i.e. a decline of 3.57%. However, the value of administered assets rose by 16.90%, i.e. an increase of CZK 14.38 billion compared to the same period a year earlier.

In May 2010, growth in the volume of assets was recorded only by real estate funds, whose assets grew from CZK 10 billion to CZK 10.4 billion, which represents a quarter-on-quarter increase of 4.16%. Decline in assets was recorded by equity of funds (from CZK 18.4 billion to CZK 16.7 billion), mixed funds (from CZK 40.2 billion to CZK 39.2 billion) and bond funds (from CZK 40.1 billion to 39.5 billion). In year-on-year comparison, the most striking increase in the volume of assets was recorded by real estate funds. The value of assets administered by real estate funds rose by CZK 3.75 billion year on year, i.e. by 56.10%. Annual growth in assets was recorded also by equity funds, bond funds and mixed funds.

Collective investment funds invested most in debt securities. Compared to the previous month, the total volume of purchased debt securities increased by CZK 0.27 billion to CZK 47.5 billion. The share of debt securities in fund's equity capital rose from 45.74% to 47.71% compared to April 2010, i.e. an increase of 1.97 percentage points. Funds increased their volume of funds invested in debt securities by CZK 6.21 billion year on year, i.e. a rise of 15.04%. However, compared to May 2009, the share of purchased debt securities in funds' equity capital was down by 0.77 percentage point. Funds were increasing the share of equity securities in their portfolios in the course of last year. The volume of equity securities rose by CZK 7.54 billion to CZK 39.5 billion year on year, which represents an increase of 23.63%.

At the end of May 2010, 154 resident collective investment funds were active in the Czech Republic. Of this total, 28 were equity funds, 27 bond funds, 59 mixed funds and 39 real estate funds and 1 was other fund.

Commentary on the quarterly aggregated balance sheet of FCL¹⁾ (Tables 13 and 14): March 2010

As of 31 March 2010, financial corporations engaged in lending had total assets of CZK 394.1 billion. Compared to the previous quarter, total assets decreased by CZK 11.4 billion, which represents a quarter-on-quarter decline of 2.81%. In year-on-year comparison they fell by CZK 46.6 billion. Financial leasing companies accounted for the largest share of total assets (CZK 275.7 billion). The contribution of other lending companies was CZK 98.4 billion and that of corporations engaged in factoring and forfaiting was CZK 20 billion.

The largest asset item was loans, which amounted to CZK 294.4 billion. Loans recorded a decrease of CZK 9 billion (2.97%) in 2010 Q1 compared to the previous period. The year-on-year decline in loans was CZK 57.6 billion, or 16.37%. Most loans (97.83%) were granted to resident entities. Short-term loans amounted to CZK 78.3 billion at the end of Q1 and accounted for 19.85% of total assets. Long-term loans amounted to CZK 216.1 billion, i.e. 54.83% of total assets.

The largest part of loans provided to residents consisted of loans to non-financial corporations, which amounted to CZK 167.9 billion, i.e. 58.28% of loans to residents. Loans provided to non-financial corporations dropped by CZK 0.7 billion quarter on quarter (down by 0.01%) and by CZK 24.7 billion year on year (down by 12.81%). CZK 147.6 billion was provided by financial leasing companies, CZK 4.9 billion by other lending companies and CZK 15.4 billion by factoring and forfaiting companies. These loans are made up predominantly of loans with an original maturity of one to five years, which amounted to CZK 96.8 billion.

Loans to households, which totalled CZK 119.3 billion, were the second largest group of loans to residents. They decreased by CZK 7.2 billion (or 5.68%) compared to the previous quarter. In year-on-year terms, the value of loans to households decreased by CZK 29.4 billion, i.e. 19.77%. These loans accounted for 41.41% of loans granted to residents. CZK 52 billion was provided by financial leasing companies and CZK 67.2 billion by other lending companies. Loans with an original maturity of one to five years amounted to CZK 68.5 billion, giving them the largest share in loans to households.

1) Under Decree No. 307/2004 Coll. financial corporations engaged in lending are companies whose main or major business activity involves providing credit or loans or entering into agreement of similar nature, e.g. financial leasing, factoring, consumer credit, hire-purchase financing, etc.

Glossary

Harmonisation of statistics: the Treaty establishing the European Community tasked the European Central Bank (ECB) with ensuring harmonised statistics according to Article 5 of the Statute of the European System of Central Banks. The national central banks of EC Member States therefore collect statistical information according to a uniform definition, from which the ECB then compiles aggregate data for euro area monetary policy. Although Council Regulation No 2533/98, which specifies the requirements for statistical data collection, only concerns euro area countries, the ECB also receives full data sets from the non-participating countries (e.g. the Czech Republic) in order to monitor their economic and financial development.

Monetary statistics: financial macrostatistics of sectors S.121, S.122 and S.123 based exclusively on the "host country" principle. According to this principle, a resident reporting unit is an institution resident in a given economic territory. The reporting population includes 1) institutions incorporated and located in the territory, including subsidiaries of parent companies located outside that territory, and 2) branches of institutions that have their head office outside that territory.

APRC: annual percentage rate of charge, i.e. the rate including interest expenses and all related costs of the credit to the client (fees etc.).

Collective investment funds: for the purposes of monetary and banking statistics, collective investment funds comprise unit trusts and investment funds other than money market funds which are resident in the Czech Republic. These are undertakings the sole object of which is collective investment, i.e. pooling investor funds and investing them under conditions stipulated in the Act on Collective Investment (No. 189/2004 Coll.). Such undertakings may be constituted under the Act either as unit trust managed by an investment company or as investment funds.

Consolidated balance sheet of the MFI sector: the basic statistical tool of monetary statistics. It is based on the residency principle and is obtained by netting out inter-MFI positions on their aggregated balance sheet.

Consumer credit: loans granted to households for personal use in the consumption of goods and services.

Contribution to annual growth rate: the growth rate of a selected component weighted by its share in the total growth rate.

Deposits redeemable at notice: deposits that can be withdrawn by clients only after the expiry of a period of notice agreed in advance, which starts at the moment of notification of the intention to withdraw the deposit.

Deposits with agreed maturity: deposits that cannot be withdrawn by clients before a predefined maturity.

Financial corporations engaged in lending (FCLs):

Definition: FCLs mean corporations classified within sector S.123 other financial intermediaries which are predominantly engaged in granting credit or loans or entering into agreements of similar nature, for example financial leasing, factoring, consumer credit, hire purchase, etc. (see Decree No. 307/2004 Coll.)

Type of services:

1. Financial leasing - It is financial service, when lessee acquires the right to use good in exchange for rental payment over predetermined term. All risk and rewards of ownership are transferred from lessor to lessee. After lapse of predetermined term ownership of good is transferred from lessor to lessee.
2. Factoring - It is financial service consisting in purchase of short-term receivables (with maturity 30-90 days) before their maturity date. Receivables are transferred on factoring company – factor- by supplier of goods or services.
3. Other lending - This category encompasses granting credit or loans or agreements of similar nature different from financial leasing and factoring. It deals especially with consumer credit, hire purchase, consumption loans, etc.

Growth rate: the percentage change in the monitored variable over the reference period, calculated from the volumes of monthly financial transactions and the outstanding amounts at the beginning of each month.

Household sector: institutional units included in the sectors of households (S.14) and non-profit institutions serving households (S.15) under ESA 95.

Glossary (cont'd)

Housing loans: Loans granted to households for the purpose of purchasing/investing in housing, including building and home improvements.

Interest rate fixation: a period of interest rate fixation, i.e. a period at the beginning of a contract for which the agreed interest rate cannot be changed. Period up to 1 year includes floating rates.

MFI longer-term financial liabilities: comprise deposits with an agreed maturity of over two years, deposits redeemable at a period of notice of over three months, debt securities issued with an original maturity of more than two years and the capital and reserves of the Czech MFI sector.

Monetary aggregates: comprise the monetary liabilities of monetary financial institutions to non-MFI Czech residents except central government. The narrow monetary aggregate M1 includes currency in circulation (excluding cash at banks' cash desks) and overnight deposits. The intermediate monetary aggregate M2 comprises M1, deposits redeemable at a period of notice of up to and including three months and deposits with a maturity of up to and including two years. The broad monetary aggregate M3 comprises M2, money market fund shares/units, debt securities with a maturity of up to two years and repurchase agreements.

Monetary financial institutions (MFIs): financial institutions forming the money-issuing sector. Under Community law, these include the central bank, resident credit institutions, and all other resident financial institutions whose business is to receive deposits and/or close substitutes for deposits from entities other than MFIs and, for their own account (at least in economic terms), to grant credit and/or invest in securities. In the Czech Republic, MFIs include the central bank, banks, money market funds and credit unions.

Money-holding sector: all residents institutional units except central government (S.1311) and monetary financial institutions (S.121 and S.122) under ESA 95.

Money-issuing sector: all institutional units included in the sectors of the central bank (S.121) and other monetary financial institutions (S.122) under ESA 95.

Money-neutral sector: an institutional sector comprising the central government sector (S.1311) under ESA 95.

Money market funds: MMFs are defined as those collective investment funds of which the units are, in terms of liquidity, close substitutes for deposits and which primarily invest in money market instruments and/or in MMF shares/units and/or in other transferable debt instruments with a residual maturity of up to and including one year, and/or in bank deposits, and/or which pursue a rate of return that approaches the interest rates of money market instruments. The criteria applied in order to identify MMFs shall be derived from the public prospectus as well as fund rules, instruments of incorporation, established statutes or by-laws, subscription documents or investment contracts, marketing documents, or any other statement with similar effects, of the collective investment undertaking.

Net external assets: comprise external assets of Czech MFIs (such as monetary gold, non-koruna banknotes, securities issued by non-residents and loans granted to non-residents) minus external liabilities of the Czech MFI sector (such as non-residents' holdings of deposits, repurchase agreements, money market fund shares and units, and debt securities with a maturity of up to and including two years issued by MFIs and held by non-residents).

Non-MFIs: all resident sectors excluding MFIs, i.e. general government (S.13), non-financial corporations (S.11), financial institutions other than MFIs (S.123, S.124 and S.125) and households and non-profit institutions serving households (S.14 and S.15) under ESA 95.

Other financial intermediaries (OFIs): entities included in the sectors of other financial intermediaries except insurance corporations and pension funds (S. 123), financial auxiliaries (S.124) and insurance corporations and pensions funds (S.125) under ESA 95.

Private sector: a sector comprising all institutional sectors except general government (S.13) and monetary financial institutions (S.121 and S.122) under ESA 95.

Glossary (cont'd)

Rates on new business: interest rates agreed by the bank and the client for all agreements negotiated during the reference period.

Rates on outstanding amounts: interest rates applied to end-of-period balances.

Reclassifications: comprise any changes in the MFI balance sheet resulting from changes in the reporting population, corporate restructuring, reclassifications of assets and liabilities, and corrections of reported errors.

Residents: all domestic and foreign legal entities and natural persons, including branches of foreign banks and foreign owners of buildings and land, whose centre of economic interest is in the given territory. Foreign legal entities and natural persons are considered residents after at least one year of economic activity in the territory, with the exception of foreign bank branches and owners of buildings and land, who become residents at the moment they perform a valid legal act (in the case of foreign owners of buildings and land, this only applies in connection with transactions relating to the building or land in question).

Transaction (flow) data: values related to the whole period which are calculated as the difference between the balances at the end of the current and the previous period adjusted for non-transaction effects, i.e. effects connected with reclassifications, valuation changes and exchange rate variations over the period. These factors result in breaks in time series, thereby affecting the comparability of end-of-period balances. Transaction (flow) data only reflect those changes that arise from transactions, i.e. from accepting financial assets or providing financial liabilities.

Unit trusts other than money market funds:

1. *Equity funds* – funds investing mainly in shares and other equity.
2. *Bond funds* – funds investing mainly in securities other than shares.
3. *Mixed funds* – funds investing in equity and debt securities without a clear preference for either approach.
4. *Real estate funds* – funds investing mainly in real estate.
5. *Hedge funds* – funds applying more or less unlimited investment strategies in order to achieve positive absolute yields, whose managers are remunerated based on the fund's performance in addition to their salary.
6. *Other funds* – collective investment funds other than equity funds, bond funds, mixed funds, real estate funds or hedge funds.

Funds of funds and funds of qualified investors are classified under the aforementioned categories according to their investment strategies.

Technical Notes

A. Calculation of growth rates

The growth rate for the reference period is calculated from the volumes of monthly financial transactions and the outstanding amounts at the beginning of each month. Monthly transactions are calculated from differences in outstanding amounts adjusted for reclassifications, other revaluations, exchange rate variations and other changes which do not arise from transactions. This data thus reflects only those changes that arise from accepting financial assets or providing financial liabilities. Reclassifications and other non-transaction corrections are introduced into the transaction statistics to preserve the comparability of the gradual monitoring results, thereby enabling calculation of the indices of expected outstanding balances of the monitored variables and determination of their growth rates.

Method of calculation

1. The month-on-month percentage change a_t^M for month t is calculated as:

$$(a) \quad a_t^M = \left(\frac{F_t^M}{L_{t-1}} \right) \times 100$$

2. The annual growth rate for month t , i.e. the change for the last 12 months ending with month t , is calculated as the product of the twelve coefficients for each previous month. The calculation of the annual growth rate from the month-on-month growth rates thus enables transaction changes and non-transaction effects in the individual months to be taken into account.

$$(b) \quad a_t = \left[\prod_{i=0}^{11} \left(1 + \frac{F_{t-i}^M}{L_{t-1-i}} \right) - 1 \right] \times 100$$

where

F_t^M - transactions in month t

$F_t^M = (L_t - L_{t-1}) - C_t^M - E_t^M - V_t^M$

and

L_t - outstanding amount at the end of month t

C_t^M - reclassifications in month t

E_t^M - exchange rate variations in month t

V_t^M - valuation changes in month t

Growth rates for other reference periods are derived from formula (b).

B. Calculation of the contribution to the annual growth rate of a monitored variable (e.g. M3)

If $a_t(M3)$ represents the annual growth rate of M3 for the year ending with month t , and $F_{t-i}(M1)$, $F_{t-i}(M2-M1)$, $F_{t-i}(M3-M2)$ are the monthly transactions of the components M1, M2-M1 and M3-M2 in month $t-i$, the contribution of M1 to the annual growth rate of M3, for example, is calculated as:

$$\frac{\sum_{i=0}^{11} F_{t-i}(M1)}{\sum_{i=0}^{11} [F_{t-i}(M1) + F_{t-i}(M2-M1) + F_{t-i}(M3-M2)]} \times a_t(M3)$$

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